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Chairman: Mr. HADID (Algeria)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

TRIBUTE TO THE MEMORY OF FELIX HOUPHOUËT-BOIGNY, PRESIDENT OF CÔTE D'IVOIRE

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued)

General debate (continued)

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

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The meeting was called to order at 10.35 a.m.

TRIBUTE TO THE MEMORY OF FELIX HOUPHOUËT-BOIGNY, PRESIDENT OF CÔTE D'IVOIRE

1. At the invitation of the Chairman, the members of the Committee observed a minute of silence.

AGENDA ITEM 123: PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1994-1995 (continued) (A/48/6, A/48/16 (Parts I and II) and A/48/32/Rev.1/Add.1; A/C.5/48/9 and Corr.1 and Add.1 and A/C.5/48/26)

General debate (continued)

2. Mr. ZIAUDDIN (Bangladesh) deplored the delay in the issuance of the documents needed for the consideration of the proposed programme budget and noted that the Committee was still awaiting the initial report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). The Secretariat should take steps to see to it that that unfortunate situation did not occur again.

3. The proposed programme budget was being presented at a time of momentous political, economic and social change. The responsibilities of the United Nations had increased tremendously, particularly in respect of peace-keeping operations and humanitarian issues. There was also increased scope for international cooperation in alleviating poverty and promoting the social and economic development of the developing countries. Given the proliferation of demands on the Organization, a modest increase was unavoidable to provide the support needed to meet the increased workload. The estimated increase resulting from the recosting exercise, however, could well have been flawed by the use of figures for currency fluctuations and inflation adjustments that were too high. Nevertheless, his delegation welcomed the new budget format as well as the new methodology. The proposed increase of about 1 per cent in overall resources did not conflict with the budget outline, which was merely an indiction. At the same time, his delegation wished to stress that the Organization must improve its efficiency and the management of its resources.

4. His delegation endorsed the three broad policy objectives which had guided the budget proposals (A/48/6 (Part I)). He emphasized, however, that peace and security and economic and social development were indivisible. Unfortunately, that fact was not reflected in the allocation of resources under the budget. While there had been substantial real growth in the resources allocated to peace-keeping, preventive diplomacy, humanitarian affairs and human rights, the economic and social development of the developing countries, despite its having been identified as a priority area, had not been allocated commensurate additional resources. The allocation of resources under the budget did not therefore, reflect the original five priority areas of the medium-term plan for the period 1992-1997, as approved in General Assembly resolution 45/253, and the additional priorities identified in General Assembly resolution 47/213 B. Additional resources were necessary for the economic and social development of the developing countries.

(Mr. Ziauddin, Bangladesh)

5. His delegation was concerned that the budget proposal for United Nations integrated offices in section 2 of the programme budget lacked an intergovernmental mandate. The question of "interim offices" was still being debated in the Second Committee. His delegation found the proposal surprising, therefore, and endorsed the view put forward by the representative of Columbia on behalf of the Group of 77 and China that it had no legal basis.

6. Many of the developing countries were facing an economic crisis. The least developed countries, in particular, were being increasingly marginalized. Additional resources should be allocated to meet the needs of those countries and his delegation supported the Secretary-General's initiative in that direction. The entire United Nations system had a responsibility to meet the urgent needs of the least developed countries.

7. The proposed increases had been directed primarily to overall policy-making, direction and coordination, political affairs and human rights and humanitarian affairs. That was not a balanced approach and was contrary to the priorities set in the medium-term plan. It had been suggested that the reorganization of the economic and social sectors, with the consequent economies of scale and the release of resources, would enable additional demands in those sectors to be met, but his delegation did not share that view. A number of important developments in those areas warranted an increase of resources. The coordination of the three new departments - the Department for Policy Coordination and Sustainable Development, the Department for Economic and Social Information and Policy Analysis and the Department for Development Support and Management Services - as well as the division of work between them, needed to be set out more clearly. In connection with the incorporation of the Office for Project Services of the United Nations Development Programme (UNDP) into the Department for Development Support and Management Services, he noted that the Governing Council of UNDP had determined that the Office should maintain its semi-autonomous and self-financing character and remain as a distinct entity.

8. His delegation supported the recommendation of the Committee for Programme and Coordination (CPC) in regard to the Department of Humanitarian Affairs and the appointment of an Emergency Relief Coordinator. The need of the regional commissions and UNCTAD for additional resources should not, however, be overlooked. His delegation was particularly concerned over the proposed allocation to UNCTAD, given the importance of its mandates.

9. He emphasized that the principal policy directive for the programme budget was the medium-term plan. The budget should, therefore, clearly reflect the priorities set out in that plan. His delegation believed that was the prerogative of Member States. The programme budget should also reflect the various mandates assigned by the competent intergovernmental legislative bodies. His delegation would examine the budget in the light of that belief.

10. Mr. GABRIEL (Philippines) said that, as a result of global developments during the post-cold-war era, the United Nations had been asked to assume rapidly increasing responsibilities in the areas of peace-keeping and political and humanitarian activities. It was against that background that the Fifth

(Mr. Gabriel, Philippines)

Committee was being asked to provide the resources necessary for the Organization to effectively carry out its mission.

11. Many Member States had expressed the desire to adhere to the guidelines on the budget outline set out in General Assembly resolutions 41/213 and 47/213. His delegation wondered, however, whether the budget outline should be viewed as an absolute ceiling or as a preliminary indicative figure. The current extraordinary situation called for a degree of flexibility.

12. Given the substantial increase of the workload in the areas of peace-keeping, human rights and humanitarian activities, the Organization's resource base should be expanded to ensure effective programme delivery. Also, the Committee should not lose sight of its equally important responsibility to ensure the availability of adequate resources in order to continue effective programme delivery in the social and economic fields. Developing countries had noted with concern the apparent shift away from the priorities set out in the medium-term plan and the failure to give development issues adequate attention. They were concerned, moreover, that, with the change in emphasis, funds would be diverted from mandated social and economic programmes, thus making it difficult effectively to ensure programme delivery in those areas of benefit to developing countries. The perception of neglect had been confirmed by the fact that the budget proposals of economic and social problems contained no requests for additional resources to carry out the new mandates in those areas. The failure to clarify the programmatic impact of the restructuring in the economic and social sectors had heightened those concerns. His delegation hoped that the Secretariat would be able to provide a clear explanation for its actions and to allay apprehensions. Despite the channelling of more resources into the peace-keeping and humanitarian fields, the priorities mandated by the General Assembly, as contained in the medium-term plan, should be satisfactorily pursued.

13. His delegation welcomed the considerable improvement in the presentation of the budget. The new budget format was clearer and more streamlined, and the holistic view of resources, particularly the linkage between budgetary and extrabudgetary resources, was certainly appreciated.

14. Many questions had been raised regarding the accuracy of the estimates resulting from the recosting exercise. Doubt had been cast on the validity of the assumptions regarding inflation, exchange rates, and post adjustment increases. Although estimates were by nature prone to some inaccuracy, they should nevertheless be realistic and should provide a reasonable level of accuracy if they were to be useful for effective planning and decision-making. His delegation hoped that during the course of the deliberations the Secretariat would provide a satisfactory justification of the estimates.

15. In order for the Organization to carry out the tasks entrusted to it, a solution must be found to the apparent paradox of requiring the United Nations to assume an increasingly larger role in world affairs without a corresponding increase in resources. While the United Nations was expected to make available most of the funds necessary to carry out its new activities by more efficient

(Mr. Gabriel, Philippines)

and economical utilization of its limited resources, there were limits to what could be achieved through effective management and control. Since Member States were expected to provide the necessary funds, they should continue to be reassured that funds would be judiciously administered. Financial management skills would have to be developed in order to eliminate the scepticism prevailing among Member States regarding the seriousness of the financial management reform. That was the only way to ensure continued financial support.

16. Strict adherence to set budgetary parameters should not be an end in itself. The budget was intended to provide funding for activities and, as more and more demands were placed on the Organization, a point would be reached when effective management of funds alone would not suffice to remedy the situation. When that point was reached, the Committee should be prepared to make the hard choice between increasing available resources to carry out the mandates and forgoing certain activities.

17. Mr. JU Kuilin (China) said that, over the past two years, the economic and social sectors of the United Nations had undergone significant reform and the Secretariat had been largely restructured. Whether that reform and restructuring had resulted in greater efficiency and effectiveness and the improved implementation of the programmes approved by the General Assembly was a matter of serious concern to all Member States. The initial results of the restructuring should be reflected in the allocation of resources under the proposed programme budget for the biennium 1994-1995, the first to be adopted since the reforms. It was unfortunate that, because the relevant documents had been issued so late, both CPC and ACABQ had had little time to study them. The Committee had still not received the comments of ACABQ on the proposed programme budget. The important role of CPC and ACABQ had been seriously weakened by the delay, which also hampered the Fifth Committee's consideration of the item. His delegation drew attention to the regulations regarding programme budgeting procedures and trusted that the current state of affairs would soon be rectified. In particular, it hoped that the comments of ACABQ would be available before the Committee had to take decisions on the budget proposals.

18. The total level of the budget proposed by the Secretary-General represented an increase of 1 per cent over the current biennium, thus departing from the zero growth set out in the budget outline previously endorsed by the General Assembly. His delegation had always maintained, however, that the Organization's financial resources should guarantee the implementation of the programmes approved by the General Assembly. The budget should be based on the programmes approved, rather than the reverse. The need for a reasonable increase in the Organization's financial resources was understandable given the array of challenges that it faced in the rapidly changing world situation. At the same time, stringent economy measures continued to be necessary and the Organization's financial resources must be allocated in a way that would enhance its efficiency and effectiveness. Adjustments should be made, therefore, in certain sections of the proposed programme budget and the views of ACABQ in that connection should be taken fully into account.

(Mr. Ju Kuilin, China)

19. In regard to priorities, his delegation had noted that, in his Introduction to the proposed programme budget, the Secretary-General explicitly mentioned the priority areas in the medium-term plan approved by the General Assembly: the maintenance of international peace and security, the economic development of developing countries, the economic recovery and development of Africa, the environment and international drug control. Unfortunately, some of those priority areas would receive a greater increase in resources than others and the priority needs of the developing countries had not been given the importance they deserved. Resources for programmes relating to economic and social development would increase only marginally and, in some cases, would decline. Many representatives of developing countries had expressed serious concern over that situation at the thirty-third session of CPC. In his delegation's view, economic development was the cornerstone of social stability and development. The Secretary-General had told the Committee that without sustainable and equitable development, there could be no true democracy and no lasting peace. Such development and social stability was in the interest of the developed as well as the developing countries. Economic development required a long-term strategy. As the Secretary-General had emphasized in his statement to the Fifth Committee, the long-term nature of the task of promoting economic and social development should not detract from its urgency. It was to be hoped that the programme budget for the biennium 1994-1995 would embody that spirit.

20. His delegation agreed that the administration and management of the Organization needed to be strengthened. It therefore endorsed the proposal to strengthen the Department of Administration and Management and establish senior posts for the Department. It also noted the Secretary-General's intention to place the United Nations Centre for Human Settlements (Habitat) and the United Nations Environment Programme under common executive direction. It hoped that in that regard he would give further consideration to the opinion of the majority of Member States.

21. It would be some time before the reforms and restructuring measures adopted in recent years would produce their anticipated results. At the same time, those measures had given rise to a sense of insecurity among the staff. His delegation therefore welcomed the Secretary-General's statement that the freeze on recruitment would be lifted, beginning with the biennium 1994-1995, so that the Organization could enter a period of relative stability.

22. Programme budgeting was a complex process and his delegation had noted with appreciation the new budget format that had been adopted. Some aspects of the improved methodology, however, were still difficult to understand because of the absence of convincing analysis and the desired transparency. It hoped that the methodology would continue to be improved.

23. The General Assembly had laid down explicit provisions regarding budgetary procedures in a number of resolutions. The normal procedure was that the programmes proposed should first be considered by the substantive committees, which would make specific suggestions before the Fifth Committee examined the financial implications of the various programmes. In recent years, however, budgetary arrangements for some programmes had been worked out in disregard for

(Mr. Ju Kuilin, China)

the suggestions of the substantive committees and relevant decisions of the General Assembly, thus further politicizing the process of considering the programme budget and making it more difficult for the Fifth Committee to focus on the technical aspects. His delegation wished to stress the importance of maintaining the normal programme budgeting procedure.

24. Mr. MUTHAURA (Kenya) said that the budget proposals attempted to reflect the streamlining which the United Nations was currently undergoing with a view to improving its efficiency, productivity and ability to respond flexibly to its new mandates. The budget proposals were an important element of the process of reform and must therefore accurately reflect not only the wishes of Member States but also the spirit and principles of the Organization. In addition to the principle of developing friendly relations among Member States, the objectives of the United Nations were the maintenance of international peace and security, the achievement of economic, social and cultural progress, and the promotion of respect for human rights and fundamental freedoms. Those three objectives should be given balanced treatment in the allocation of resources under the budget. It was therefore disheartening that the budget proposals did not meet that expectation. Emphasis was placed on the maintenance of international peace and security and human rights issues at the expense of socio-economic and cultural development issues. In that connection, his delegation fully endorsed the views expressed on that particular issue by the representative of Colombia on behalf of the Group of 77 and China.

25. Peace and security were not merely the absence of war or threat of war but the absence of conditions that threatened the enjoyment of life and security. The enhancement of the socio-economic and cultural conditions of humanity was therefore the surest way of guaranteeing peace and security in the long term. In that regard, in order to achieve sustainable peace and security in the world, the international community must address itself to the root causes that threatened peace and security, such as poverty, underdevelopment and the lack of adequate shelter.

26. His delegation noted with appreciation that the proposed level of resources represented real growth of 1 per cent over the previous biennium. However, that increase was mainly for political and peace-keeping activities while the other priority areas identified in General Assembly resolutions 45/253 and 47/212 had not been adequately reflected in the budget proposals. Such items as drug control and economic development in the developing countries, for example, had not been allocated any additional resources. Those two resolutions had also identified the priorities for the medium-term plan 1992-1997 as including the environment and the economic recovery and development of Africa. His delegation attached great importance to those items and considered that they should be retained as priority areas.

27. The budget proposals before the Committee did not allocate to the United Nations offices at Nairobi and Vienna adequate resources to enable them to operate effectively as centres of the Organization. Nairobi was the only United Nations centre in the developing world and it was the headquarters city of two vital organs, namely, the United Nations Environment Programme (UNEP) and the

(Mr. Muthaura, Kenya)

United Nations Centre on Human Settlements (Habitat). The resources allocated to Nairobi under the budget should therefore be commensurate with its role as a United Nations centre. In that connection, his delegation welcomed the recommendation by the Committee on Conferences that its review of the proposed programme budget should be expanded in future to include conference services at United Nations centres at Nairobi and at the regional commissions.

28. The Commission on Human Settlements had stressed the need for both Habitat and UNEP to be kept under independent and separate senior management. The concept of common direction proposed by the Secretary-General was unclear and could result in the creation of a new bureaucracy which was in the interest of neither UNEP nor Habitat. It had been clearly demonstrated in document A/C.5/48/9/Add.1 that the proposed change would not result in any significant savings. Indeed, an annual saving of $30,100 was not substantial enough to warrant the action being recommended, which would have far-reaching implications for the future of both Habitat and UNEP. The two agencies shared common services, such as conference facilities and security and building maintenance. That arrangement had worked well and should be continued. Any attempt to mix other services could bring about serious management complications requiring the establishment of other high-level administrative posts, which would certainly not benefit programme delivery.

29. A more fundamental consideration was the fact that UNEP and Habitat had been established under different mandates of the General Assembly and were accountable to different governing bodies. Their responsibilities had increased substantially under Agenda 21, as a result of preparations for the Habitat II Conference and the growing need for shelter resulting from displacement of millions of people by conflicts around the world.

30. The Secretary-General's proposal amounted to nothing less than a merger between the two organizations. That was unacceptable to his delegation. The Group of 77 and China had submitted a draft resolution in the Second Committee calling on the Secretary-General to fill the vacant post of Executive Director of Habitat as soon as possible, to strengthen the headquarters and regional offices of Habitat, and to ensure that both Habitat and UNEP were kept under independent, separate and distinct senior management. His delegation called upon the Secretary-General to appoint the Executive Director of the International Trade Centre as early as possible.

31. In the view of his delegation, activities in the field of human rights and humanitarian affairs, including the follow-up to the Vienna World Conference on Human Rights, should be financed within existing resources for that area. It would also be interesting to know how the Secretary-General intended to implement development as a basic human right, as agreed upon at Vienna.

32. Finally, he endorsed the view expressed by a number of delegations that the budget should translated into operational terms the substantive mandates created by the relevant intergovernmental bodies as well as the relevant resolutions of the General Assembly. It should never be used to create new mandates.

33. Mr. JESENSKY (Slovakia) welcomed the priorities set out in the proposed programme budget for the biennium 1994-1995 and supported the initiatives taken to improve the efficiency of the Secretariat. In the view of his delegation, however, the proposals presented did not adequately reflect the role played by the United Nations Office at Vienna. Given its geographic location, the Office at Vienna was in the best position to serve the countries of central and eastern Europe and the scope of its activities should therefore not be reduced. His delegation hoped that the Secretary-General would respond positively to the request of the General Assembly that additional activities should be proposed for relocation to Vienna.

AGENDA ITEM 12: REPORT OF THE ECONOMIC AND SOCIAL COUNCIL (A/48/3 and Add.1) (chapters I, V (sections A and B) and IX

34. Ms. GOICOCHEA (Cuba) said that the Committee appeared to be about to take a decision on the chapters of the report of the Economic and Social Council (A/48/3 and Add.1) which had been referred to it even though some of the decisions referred to in the report had not yet been considered by the relevant Main Committee of the General Assembly. The Cuban delegation would not call for a vote on the item but it had serious reservations about the activities to be undertaken pursuant to Council decision 1993/274 concerning the so-called Special Rapporteur on human rights in Cuba. The decision had been based on a selective and discriminatory procedure instead of on the principles governing the treatment of human rights topics which had been set out in several General Assembly resolutions, most recently in resolution 47/131. Cuba would raise the matter again in the Committee under the relevant section of the proposed programme budget.

35. Mr. OSELLA (Argentina) said that paragraph 3 of chapter V, section A, of the report indicated that the Council had postponed consideration of a report of the Joint Inspection Unit (JIU) on relationship agreements between the United Nations and member organizations of the United Nations common system. The matter would, in fact, be taken up by the Council at its resumed session on 8 December and would no doubt be referred to the Committee. The Committee would therefore have to consider the JIU report at some future date but it could not do so until the Council's recommendation to the General Assembly was known. It should therefore await the outcome of the Council's resumed session before deciding whether to complete its consideration of item 12 at the present session or defer it to the forty-ninth session. However, since the item on the common system would be on the agenda of the forty-ninth session, there was perhaps no need to keep item 12 open at the present session.

36. Mr. SPAANS (Netherlands) said that in the Committee for Programme and Coordination (CPC) and in the General Assembly the Netherlands delegation had repeatedly noted that the Council's treatment of CPC reports was perfunctory. The Council should pay more attention to the CPC reports so that the General Assembly would have the benefit of its consideration of them. Even when a CPC report contained questions to the Council, the latter still merely took note of the report, as it had done in its decision 1993/313 mentioned in paragraph 21 of chapter V, section A.

(Mr. Spaans, Netherlands)

37. On the point raised by the representative of Argentina, he suggested that the Committee should take note of the parts of the report covering earlier sessions of the Council. In view of the time pressure, the Council's report on its resumed session on 8 December might perhaps be taken up at the Committee's own resumed session in 1994.

38. The CHAIRMAN said that if there was no objection, he would take it that the Committee wished to recommend that the General Assembly should take note of the report of the Economic and Social Council and that the Committee had thus concluded its consideration of item 12.

39. It was so decided.

The meeting rose at 12.10 p.m.